

Item 4 (iii)

STAFFORDSHIRE FIRE & RESCUE SERVICES

Risk Management

Internal audit report: 4.20/21

Final

3 December 2020

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EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by the Service, we have been able to sample test the control framework.

Why we completed this audit

A review of the Staffordshire Fire and Rescue Services' (the Service) Risk Management framework was undertaken as part of the Internal Audit Plan for 2020/21, to identify the controls and processes in place to record and manage risk within the Service. Our review included an assessment of the Strategic Risk Register and Operational Risk Registers, including their content and structure, as well as a review of the established reporting and governance mechanisms in place.

The Service maintains a Strategic Risk Register and a number of Operational Risk Registers are also in place spanning the Service. All risk registers use the standard template, as defined by the Risk and Opportunity Management Toolkit and Manual, to ensure consistency across the Service.

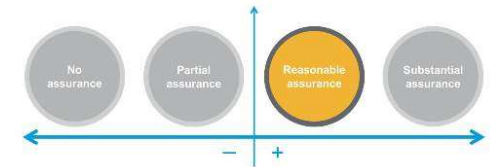
Conclusion

There is a well-defined governance structure in place that includes the Performance and Assurance Board (P&AB) and the Service Delivery Board (SDB) to scrutinise strategic risks.

Whilst a Strategic Risk Register and the Operational Risk Registers are in place, regular and more frequent reviews of risk and controls should be undertaken to ensure both the operational and strategic risk profile remains reflective of both the Services' internal and external environment.

Internal audit opinion:

Taking account of the issues identified, the Authority can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.



Key findings

We identified the following exceptions with the Service's established control framework:



Upon review of the risk descriptions included within the Strategic Risk Register, we noted that the risk descriptions have been amended over time and should be reviewed to ensure they convey the risk scenario or whether a separate risk should now be considered. **(Medium)**



The Strategic Risk Register and Operational Risk Registers need to be updated to link to the strategic objectives, included within the Safety Plan. **(Medium)**



The Strategic Risk Register Risk Control Action Plan is maintained. There is a focus on the red risks, however, by only considering the risks which are classed as high, the Service avoids consideration of those medium risks that if the risk materialises, would have a high impact. **(Medium)**



For operational risk registers there is a need to ensure that they are updated consistently, include mitigating actions and reflect any movement or changes in risks. **(Medium)**



There is a need to record within the P&AB and SDB minutes the assurance that operational and mitigation activities are being undertaken (and controls are operating effectively) and assurances are in place to support the mitigation of each and every control within the Strategic Risk Register. **(Medium)**

Additional findings

Our audit review identified that the following controls are suitably designed, consistently applied and are operating effectively:

A three-year Risk Management and Business Continuity (BCM) Strategy is in place which outlines the framework and approach to using risk management. The Strategy is part of the overarching Risk Management Framework and Approach.

Multiple procedural and policy documents are in place to outline the Services' approach to risk management which are clear. These documents are updated annually and signed by the Chief Fire Officer.

A Risk and Opportunity Management Toolkit and Manual is in place which outlines a simple approach to using risk management and business continuity management techniques to improve the way the services are provided.

The format used for the Strategic Risk Register and Operational Risk Register is based on the template included within the Risk and Opportunity Management Toolkit and Manual.

Risk management and awareness training is delivered to various levels of the business. The Risk and Opportunity Management Toolkit and Manual outlines the risk training to be provided both at Strategic Management Board Level and Operational/Programme level.

A review of the contents confirmed they contain definitions of risk management, what the businesses roles are for risk management and the processes the business has in place to identify, analyse, evaluate and treat risks. These training documents mirror the processes outlined in the procedures, policies and manuals provided.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Risk Scoring																								
Control	A standardised matrix for scoring risks based on likelihood and impact are defined clearly and documented. Each of the risks follow this process.			Assessment: Design ✓ Compliance ×																				
Findings / Implications	<p>The Risk and Opportunity Management Toolkit and Manual stipulates that risks are assessed according to a standard risk matrix, which multiplies the likelihood and impact to arrive at an overall risk rating. This methodology is clearly outlined in the Manual with definitions for each category in terms of threats and business continuity impact assessments. The impact and likelihood, together with the inherent and residual scores are also defined for each risk score provided between one and four.</p> <p>Based on the overall risk score (i.e. the multiplication of impact and likelihood) these are colour coded and reflected in the three categories (high, medium and low) and colour codes in terms of risk score:</p> <table border="1"> <tr> <td>MAJOR 4</td><td>LOW Score 4</td><td>MEDIUM Score 8</td><td>HIGH Score 12</td><td>HIGH Score 16</td></tr> <tr> <td>SERIOUS 3</td><td>LOW Score 3</td><td>MEDIUM Score 6</td><td>HIGH Score 9</td><td>HIGH Score 12</td></tr> <tr> <td>MODERATE 2</td><td>LOW Score 2</td><td>LOW Score 4</td><td>MEDIUM Score 6</td><td>MEDIUM Score 8</td></tr> <tr> <td>MINOR 1</td><td>LOW Score 1</td><td>LOW Score 2</td><td>LOW Score 3</td><td>LOW Score 4</td></tr> </table> <div> <div>VERY UNLIKELY 1</div> <div>UNLIKELY 2</div> <div>LIKELY 3</div> <div>VERY LIKELY 4</div> </div>				MAJOR 4	LOW Score 4	MEDIUM Score 8	HIGH Score 12	HIGH Score 16	SERIOUS 3	LOW Score 3	MEDIUM Score 6	HIGH Score 9	HIGH Score 12	MODERATE 2	LOW Score 2	LOW Score 4	MEDIUM Score 6	MEDIUM Score 8	MINOR 1	LOW Score 1	LOW Score 2	LOW Score 3	LOW Score 4
MAJOR 4	LOW Score 4	MEDIUM Score 8	HIGH Score 12	HIGH Score 16																				
SERIOUS 3	LOW Score 3	MEDIUM Score 6	HIGH Score 9	HIGH Score 12																				
MODERATE 2	LOW Score 2	LOW Score 4	MEDIUM Score 6	MEDIUM Score 8																				
MINOR 1	LOW Score 1	LOW Score 2	LOW Score 3	LOW Score 4																				

The Service have defined the impact and likelihood scoring within the Risk and Opportunity Management Toolkit and Manual and guidance on how to score these. The Risk and Opportunity Management Toolkit and Manual includes risk descriptors for impact and likelihood.

We have been advising clients over recent times, that a risk with a max (4) Major and min (1) likelihood score should be reviewed more frequently – and therefore graded 'Amber' in the risk scoring. This is in response to Grenfell disaster, i.e. something that happens so rarely but can be so catastrophic re impact, the logic being that the controls to manage the risk should be reviewed more regularly (and assurances received) because if it goes wrong it is a major issue.

Area: Risk Scoring

Upon review of the risk descriptions included within the Strategic Risk Register, we noted that the risk descriptions have been amended over time and should be reviewed to ensure whether they convey the risk scenario or whether a separate risk should now be considered. For example, Risk S2: *The risk description is Failure to deliver the Safety Plan / Failure to deliver a sustainable plan for effective service delivery as a result of continued funding pressures.* The former appears to be an addition to the risk description and could be deemed to be a separate risk or a risk heading.

Similarly, Risk S6 and S7 and S10, seem to use a similar format and the heading could be deemed to be a risk description by itself.

In addition, we noted that the risk description for Risk S9 is simply *Brexit* and does not convey the risk scenario and, once it materialises, the situation the Service would have to face.

Management Action 1	The Service will review the risk descriptions and will consider whether these risk descriptions adequately convey the actual risk faced by the Service and whether these need to be split and / or revised accordingly. In addition, the Service will consider and review those risks with a maximum (4) major and minimum (1) likelihood score more frequently and grade as amber in the risk scoring.	Responsible Owner: Business Resilience Co-ordinator	Date: January 2021	Priority: Medium
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Area: Operational Risk Registers

Control	Operational Risk Registers are in place and maintained up to date, completed in full and formally reviewed at least annually.	Assessment: Design	✓
		Compliance	×

Findings / Implications	<p><u>Catering Department (Last updated in November 2020)</u></p> <p>On review of the Catering Department's operational risk register, we noted the following areas:</p> <ul style="list-style-type: none"> • Risk descriptions should be expanded to ensure the risk clearly documents and reflects the risk event. For example, Risk 6 and 7 are generic and do not completely convey the risk scenario that may materialise in the Catering Department; • Each risk is not linked to at least one Corporate Safety Plan Priority; • One red risk remains within the Catering Department's operational risk register. However, an action plan has not been developed to document any further actions; • Any changes to the register since the last review are not clearly evidenced; and • A Direction of Travel summary is in place. however, on review, it was updated in August 2017, October 2018 and partially updated in October 2019 (note last risk register review was November 2020).
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Area: Operational Risk Registers

Health and Safety (Last updated in October 2020)

On review of the Health and Safety Department's operational risk register, we noted the following areas:

- Risk descriptions should be expanded to ensure the risk clearly documents and reflects the risk event. For example, Risk 2, 6 and 7 are generic and do not completely convey the risk scenario that may materialise. We noted that a similar risk had been included within the Business Information Team register, but had been suitably updated to reflect the Department;
 - Each risk is not linked to at least one Corporate Safety Plan Priority;
 - There are no red risks included within the register; and
 - A Direction of Travel summary is in place. however, on review, it has not been kept up to date and has not been completed since January 2018 (note last risk register review was October 2020).
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Business Information Team (Last updated in November 2019)

On review of the Business Information Team Department's operational risk register, we noted the following areas:

- Each risk is linked to the Safety Plan. However, a generic 'All Areas of the Safety Plan' comment is included. This should be amended to link to specific elements and / or specific priorities of the Plan;
 - Six red risks remain within the Business Information Team Department's operational risk register. However, an action plan has not been developed to document any further actions; and
 - A Direction of Travel summary is in place. however, on review, it was updated in August 2017 (note last risk register review was November 2019).
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CIC Project (Last updated in February 2020)

On review of the CIC Project's operational risk register, we noted the following areas:

- Each risk is not linked to at least one Corporate Safety Plan Priority;
 - Each risk is linked to a responsible person(s);
 - Four red risks remained within the CIC Project's operational risk register (risks 7, 9, 10 and 11). However, the action plan includes Risks 2, 7 and 8, but not for Risk 10 and 11. In addition the actions included within the action plan does not include an implementation date; and
 - A Direction of Travel summary is in place. however, on review, it was last updated in September 2019 (note last risk register review was February 2019).
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Equality and Diversity (Last updated in May 2019)

On review of the Equality and Diversity operational risk register, we noted the following areas:

- Each risk is not linked to at least one Corporate Safety Plan Priority;
 - One red risk remains within the Equality and Diversity operational risk register. However, an action plan has not been developed to document any further actions;
 - Any changes to the register since the last review are not clearly evidenced; and
 - A Direction of Travel summary is in place. however, on review, it was updated in February 2018 and May 2019.
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Area: Operational Risk Registers

Payroll Department (Last updated in February 2020)

On review of the Payroll Department's operational risk register, we noted the following areas:

- Each risk is not linked to at least one Corporate Safety Plan Priority;
- Two red risks remain within the Payroll Department's operational risk register (Risks 2 and 8). However, an action plan has not been developed to document any further actions;
- Any changes to the register since the last review are not clearly evidenced; and
- A Direction of Travel summary is in place. however, on review, it was last updated in February 2020 at the same time as the last risk register review.

Protective Security (Last updated in March 2019)

A review of the Protective Security operational risk register, we noted the following areas:

- One red risk remains within the operational risk register. An action plan has been developed to document the further actions and update position narrative is included against each risk;
- Any changes to the register since the last review are not clearly evidenced; and
- A Direction of Travel summary is in place. however, on review, it was updated in March 2019.

Reception/Conferencing/Strategic Risk Management (Last updated in October 2019)

On review of the Reception/Conferencing/Strategic Risk Management operational risk register, we noted the following areas:

- Risk descriptions should be expanded to ensure the risk clearly documents and reflects the risk event. For example Risks 1, 2 and 7 are generic and do not completely convey the risk scenario that may materialise;
- There is no Risk 3 in the register;
- Each risk is not linked to at least one Corporate Safety Plan Priority;
- Five red risks remain within the operational risk register (Risks 2, 5, 6, 8 and 10). However, an action plan has not been developed to document any further actions; and
- A Direction of Travel summary is in place. however, on review, it was updated in October 2018 (note last risk register review was October 2019).

Supplies and Stores (Last updated in May 2019)

On review of the Supplies and Stores operational risk register, we noted the following areas:

- Risk descriptions should be expanded to ensure the risk clearly documents and reflects the risk event. For example, Risk 6 and 12 are generic and do not completely convey the risk scenario that may materialise;
- Each risk is not linked to at least one Corporate Safety Plan Priority;
- One red risk remains within the operational risk register (Risk 5). However, an action plan has not been developed to document any further actions;
- Any changes to the register since the last review are not clearly evidenced; and
- A Direction of Travel summary is in place. however, on review, it was last updated in October 2017 (note last risk register review was May 2019).

Area: Operational Risk Registers

Management Action 2	<p>For each operational risk register;</p> <ul style="list-style-type: none"> the Direction of Travel summary will be updated to assess the direction of travel and to provide assurance that the underlying controls have made an impact in mitigating the departmental risk; for each red risk included within each Department's operational risk register, a Risk Action Plan should be completed to document the further mitigation strategies and Residual Risk rating; and each operational risk register will be reviewed periodically and more frequently in line with Step 4 of the Risk and Opportunity Management Toolkit and Manual. 	Responsible Owner: Business Resilience Co-ordinator	Date: January 2021	Priority: Medium
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Area: Strategic Risk Register

Control	A Strategic Risk Register is maintained up to date, completed in full, however there is no direct linkage between the risks and the strategic objectives included within the Safety Plan.		Assessment:	
			Design	Partial
			Compliance	-
Findings / Implications	The template included within the Risk and Opportunity Management Toolkit and Manual does not support the link to be made, therefore, the Service is unable to consider whether the risks are linked to the strategic objectives within the Safety Plan or whether sufficient action is being take to reduced specific risks linked the Safety Plan. As the two are not linked, there is a risk that the Board are not aware of the risks linked to the achievement of the Safety Plan.			
Management Action 3	Management will review and update the Risk Register template included within the Risk and Opportunity Management Toolkit and Manual to ensure a link is made to the strategic objective(s) included within the Safety Plan and therefore the risks which will impact on achievement and implementation of the Safety Plan.	Responsible Owner:	Date:	Priority:
		Business Resilience Co-ordinator	February 2021	Medium

Area: Controls and Actions

Control	<p>The Strategic Risk Register and Operational Risk Registers include controls against each specific risk.</p> <p>An Action Plan is maintained up to date for any risks that are within the red section of the risk matrix which is classed as high.</p>	Assessment: Design ✓ Compliance ×		
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Findings / Implications	<p><u>Strategic Risk Register</u></p> <p>The Strategic Risk Register documents the current controls. A review of the register identified that whilst controls are documented (this can range from a narrative paragraph to a list of the high-level controls), there is no link to the operational controls or the external assurance gained. In particular for the latter, the external assurance is not fully documented (although some mitigation activities do form part of the risk register). A method of good practice is the use of the 'Three Lines of Defence' model as a relationship between the monitoring and assurance functions (see below):</p> <p><u>Three Lines of Defence model</u></p> <p>The assurance is documented in an Assurance Map and the key drivers for each line of defence were identified, for example:</p> <ul style="list-style-type: none"> • First line of defence: Departmental – The first level of assurance comes from the operational area or department that performs the day to day controls (local business plan, local risk register, local internal controls); • Second line of defence: Oversight – Other functions within the Service, such as Finance, HR and IT provide assurance – such as via corporate reporting, quality and inspection, compliance reviews; and • Third line of defence line of defence: Independent – Assurance provided from outside the Service, for example external audit, internal audit, regulators and external providers. <p>For each risk on the Strategic Risk Register, detailed information on the source of assurance for each existing control is documented and the evidence to support the assurance is linked to the risk.</p>
	<p><u>Risk Control Action Plan</u></p> <p>For each current strategic risk, where additional controls are required to be implemented, any actions are documented within the Risk Control Action Plan. In addition, the Net Risk rating and the Residual Risk ratings (i.e., after the additional controls have been implemented) are identified. The actions are also assigned to a Risk Owner. The template also stipulates the timescales for the implementation of the control measures actions should be included.</p> <p>A review of the Risk Control Action Plan identified the following:</p> <ul style="list-style-type: none"> • All actions linked to one risk are included as one action; and • The implementation dates for each action have not been identified for any of the five risks where actions have been identified. <p>We noted that Risks 2, 3 5, 8 and 10 are red risks which are classed as high. However, by only considering the risk which are classed as high, the Service avoids any medium risks (such as Risks 1, 4 and 9) which, if the risk event took place, would have a high impact.</p>
	<p><u>Operational Risk Registers</u></p> <p>As identified at Control 5, each Operational Risk Register documents the current controls. A review of the registers identified that whilst controls are documented (this can range from a narrative paragraph to a list of the high-level controls), there is no reference to any external assurance gained.</p>
Management Action 4	<p>The Service will review the Risk Control Action Plan and will consider whether actions for medium category risks should be developed.</p> <p>Responsible Owner: Business Resilience Co-ordinator</p> <p>Date: January 2021</p> <p>Priority: Medium</p>

Furthermore, each action for each risk included within the Risk Control Action Plan will be individually identifiable and the implementation date for the completion of the action.

Area: Performance and Assurance Board (P&AB)

Control	On a quarterly basis the Strategic Risk Register is reviewed and updated by the Performance and Assurance Board (P&AB).	Assessment:	
		Design	✓
		Compliance	×
Findings / Implications	We obtained and reviewed the agendas and minutes for the Performance and Assurance Board (P&AB) from 5 December 2019 to 20 November 2020 (agenda only). We noted the following:		
	<u>5 December 2019</u>		
	<ul style="list-style-type: none"> A review of the minutes identified that whilst reference was made to a specific pension risk, the discussion did not capture the challenge in relation to the Strategic Risk Register or the impact of the Strategic Risk Register on the Safety Plan. Whilst specific topics and horizon scanning is undertaken, the P&AB should be assured that operational activities are being undertaken and assurances are in place to support the mitigation of each and every risk on the Strategic Risk Register. 		
	<u>13 March 2020</u>		
	<ul style="list-style-type: none"> The Draft Integrated Risk Management Plan is presented. However, this is not specifically linked to the Strategic Risk Register presentation; and Whilst it is clear that the Register has been circulated and priorities were noted linked to the impact of Covid-19, as with the December 2019 P&AB, there is no clear commentary included within the minutes to document the P&AB's approval of the current Register or that assurances are in place to support the mitigation of each and every risk on the Strategic Risk Register. 		
	<u>3 June 2020</u>		
	<ul style="list-style-type: none"> A report in relation to Operational Assurance (for the period Q4 / January 2020 to March 2020) was presented. However, this is not specifically linked to the Strategic Risk Register presentation; and Whilst it is clear that the Register has been circulated, the minutes only document the current position (linked to COVID-19 business continuity). In a similar manner to previous P&AB meetings, there is no clear commentary included within the minutes to document the P&AB's approval of the current Register or that assurances are in place to support the mitigation of each and every risk on the Strategic Risk Register. 		
	<u>14 July 2020</u>		
	<ul style="list-style-type: none"> A report in relation to Operational Assurance (for the period Q1 / April 2020 to June 2020) was presented. However, this is not specifically linked to the Strategic Risk Register presentation; and The minutes of the P&AB state that "it was more appropriate to report on risks at September P&AB. COVID-19 Management is ongoing", therefore the P&AB have not formally reviewed the Strategic Risk Register between 3 June 2020 and 17 September. 		

Area: Performance and Assurance Board (P&AB)

17 September 2020

- A report in relation to Operational Assurance (for the period Q2 / July 2020 to September 2020) was not presented due to the timing of the P&AB meeting and is due to be presented at the November 2020 P&AB; and
- Similar to previous meetings, whilst it was clear that the Register has been circulated, the minutes only document the current position (linked to COVID-19 business continuity). In a similar manner to previous P&AB meetings, there is no clear commentary included within the minutes to document the P&AB's approval of the current Register or that assurances are in place to support the mitigation of each and every risk on the Strategic Risk Register.

20 November 2020 (agenda only)

- A report in relation to Operational Assurance (for the period Q2 / July 2020 to September 2020) is due to be presented at the November 2020 P&AB; and
- Similar to previous meetings, the Register is due to be presented to the meeting.

At the time of our review minutes for the November P&AB had not been prepared and / or circulated.

Management Action 5	The Performance and Assurance Board and the Service Delivery Board will document within the minutes that they are, respectively, assured that operational activities are being undertaken and assurances are in place to support the mitigation of each and every risk within the Strategic Risk Register (recognising that some risks may be national and local mitigation is not always possible).	Responsible Owner:	Date:	Priority:
		OPFCC Chief Executive / Deputy Chief Fire Officer	April 2021	Medium

APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Risk	Control design not effective*		Non-Compliance with controls*		Agreed actions		
					Low	Medium	High
Risks are not identified and managed effectively.	1	(10)	4	(10)	0	5	0
Total					0	5	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
The organisation has an adequate and effective process in place to identify and manage both risks and opportunities that support the delivery of the Commissioner's Plan.	Risks are not identified and managed effectively.	Management Concern

The following areas will be considered as part of the review:

- The risk management strategy / policy and accompanying procedures are regularly reviewed and approved.
- Arrangements are in place and approach taken to identify the key strategic risks facing the organisations and to keep these risks under review on an ongoing basis. Furthermore, to consider the alignment between different governance groups in respect of risk matters.
- Identified risks are assessed in accordance with an approved risk matrix to provide priority risks for reporting and mitigating action. This will also include 'horizon scanning' and how the organisations ensure that risks are identified sufficiently in advance to allow appropriate action to be taken.
- As well as the identified risks we will consider how opportunities can be identified, ensuring that they link to strategic objectives and how opportunities are assessed in terms of potential outcome and the potential impact of opportunities missed or not taken.
- Maintenance, monitoring and updating of the executive and strategic risk registers.
- The processes in place for the escalation of risks including escalation from project risk registers, to executive or strategic risks.
- The controls to manage / mitigate risks have been documented and are clear in detail, assigned to nominated persons and a timescale for completion agreed.
- Assurances have been identified (as well as gaps in assurance) and are used to inform the risk management process.
- There is regular reporting of the risk register(s) to senior management and the Commissioner and how this informs decision making. In particular, whether it meets the needs of different levels of management.

The following limitations apply to the scope of our work:

- The scope of the work will be limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out for this review.
- Any testing undertaken as part of this audit will be compliance based and sample testing only. We will not perform testing to confirm that any mitigating controls that have been identified and recorded on the risk register are actually in place. Similarly, we will not perform any testing to confirm that the sources of assurance that have been identified and recorded are actually in place.
- This review will not comment on whether individual risks are appropriately managed, or whether the organisations have identified all of the risks and opportunities facing it.
- We will not comment on the scores assigned to individual risks, we will only consider whether a scoring mechanism is in place which is fit for purpose and has been consistently applied.
- We do not endorse a particular means of risk management.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held 27 November 2020
Additional evidence provided on
Draft report issued 27 November 2020

Responses received 3 December 2020

Final report issued 3 December 2020

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Staffordshire Fire & Rescue Services, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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